

Message Text

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PAGE 01 STATE 238641

62

ORIGIN COME-00

INFO OCT-01 ARA-06 ISO-00 EB-04 L-01 RSC-01 /013 R

66609

DRAFTED BY: OED/EID/BC&OV/GILPATRIC

APPROVED BY: EB/OCA/REP:BEBYRON

ARA/CAR:STRASSER SUB

EB/OCA/BRI:PO'CONNOR INFO

----- 043475

P 302203Z OCT 74

FM SECSTATE WASHDC

TO AMEMBASSY SANTO DOMINGO PRIORITY

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E.O. 11652: NA

TAGS: BDIS, DR

SUBJ: GENERAL ELECTRIC ESPANOLA VS: CORPORACION VALDESIA

1. G.E. CORPORATE OFFICE WASH. HAS REQUESTED COMMERCE/EMBASSY ASSISTANCE FOR U.S.-OWNED AND MANAGED SPANISH SUBSIDIARY IN OBTAINING REIMBURSEMENT OF APPROX DOL 1,200,000 OWED BY RESPONDENT FOR G.E. SUPPLY SHARE IN FORTY MILLION TURNKEY HYDROELECTRICAL PROJECT. CLAIM INVOLVES PRICE INCREASE TO WHICH SELLERS ARE ENTITLED DUE DELAYS IN BUYER FULFILLMENT OF ORIGINAL CONTRACT TERMS, AND ITS LEGAL VALIDITY HAS BEEN INDEPENDENTLY CHECKED BY RESPONSIBLE D.R. ATTORNEYS.

2. COMPLAINANT HAS BEEN UNSUCCESSFUL IN OBTAINING SETTLEMENT BY DIRECT NEGOTIATIONS WHICH WERE SUPPORTED BY THE SPANISH AMBASSADOR'S PERSONAL REQUEST FOR RESPONSIVE ACTION. IMPASSE IS ATTRIBUTED IN PART TO DIFFERENT SETTLEMENT OBJECTIVES OF G.E.'S FRENCH AND SPANISH ASSOCIATES IN THE PROJECT CONSORTIUM WHO HAVE PARALLEL CLAIMS AND, MORE SIGNIFICANTLY, TO THE APPARENTLY STRONG CONVICTION HELD BY ONE OF THE TWO DECISION-MAKING DIRECTORS OF VALDESIA THAT REJECTION OF ANY FURTHER OBLIGATION TO G.E. IS JUSTIFIED

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PAGE 02 STATE 238641

ON POLITICAL GROUNDS.

3. BECAUSE OF THE LATTER COMPLICATION, AS WELL AS THE SIZE
AND COMPLEXITY OF THE OVERALL DISPUTE, COMMERCE SUGGESTED
PERSONAL PRESENTATION OF THE CASE TO THE EMBASSY BY
F. XAVIER FABRIGAT, GENERAL COUNSEL OF G.E. ESPANIOLA WHO IS
NOW IN WASHINGTON AND WHOLLY FAMILIAR WITH NEGOTIATING RECORD
TO DATE. FABRIGAT PLANS DEPARTURE FOR SANTO DOMINGO TODAY
AND WILL CALL CA OR EC SECTION CHIEF FOR APPOINTMENT AFTER
ARRIVAL. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 30 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE238641
Document Source: CORE
Document Unique ID: 00
Drafter: OED/EID/BC
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740310-0284
From: STATE
Handling Restrictions: n/a
Image Path:
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Legacy Key: link1974/newtext/t1974105/aaaaaecc.tel
Line Count: 70
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN COME
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 25 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 SEP 2002 by boyleja>; APPROVED <10 MAR 2003 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GENERAL ELECTRIC ESPANOLA VS: CORPORACION VALDESIA
TAGS: BDIS, DR
To: SANTO DOMINGO
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005